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Weekly Hog Report

October 6, 2014

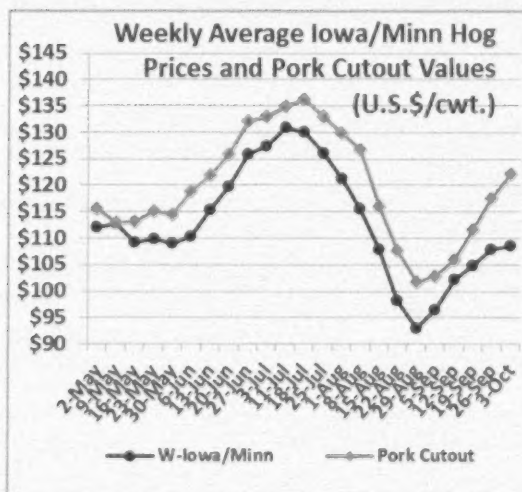
Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were higher early in the week but ended Friday lower, week-over-week. Hog prices on Friday averaged US\$107.63 per cwt, down US\$1.27 per cwt or 1.2 per cent from US\$108.90 per cwt the previous Friday. The negotiated base price for the week averaged US\$108.55 per cwt, up US\$0.82 per cwt or 0.8 per cent from US\$107.73 per cwt the previous week. Hog prices have been getting support from stronger pork cutout values, particularly from ham and belly prices.

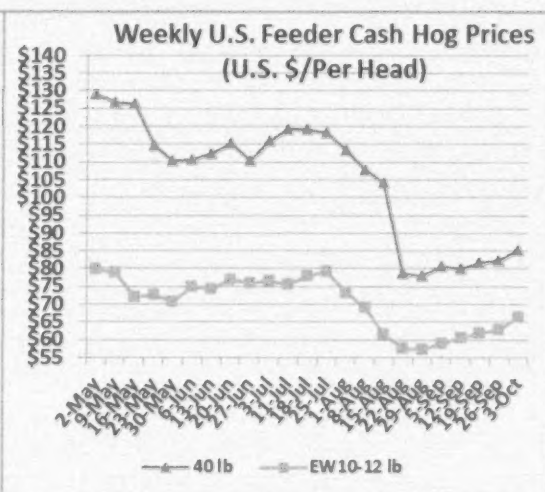
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday October 3, 2014 was \$221.49 per ckg, up \$3.02 per ckg or 1.4 per cent from \$218.47 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged \$221.92 per ckg, up \$5.65 per ckg or 2.6 per cent from the previous weeks' average price of \$216.27 per ckg. The Canadian dollar edged lower last week and closed Friday at 88.82 cents, down 0.83 cents from the previous Friday close of 89.65 cents.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices edged higher last week. Weighted average cash prices for iso-weans (12lb) last week were US\$66.33 per head, up US\$3.47 per head from US\$62.86 per head the previous week. Feeders (40lb) were US\$84.94 per head, up US\$2.94 per head from US\$82.00 per head the previous week.



Source: LMIC



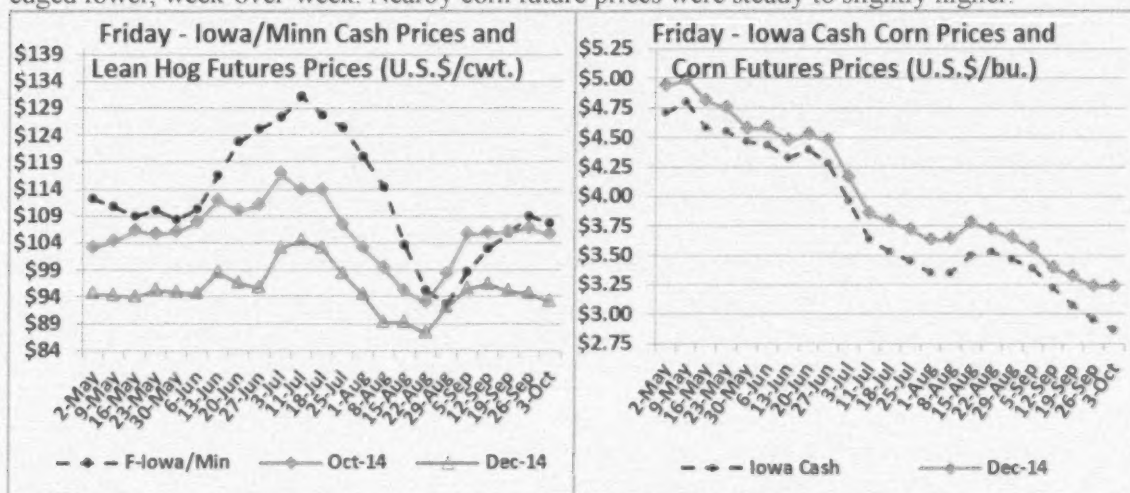
Source: LMIC

There was a new case of **Porcine Epidemic Diarrhea (PED)** identified in a sow barn in Manitoba last week. There are currently 62 cases confirmed in hog barns in Ontario, 5 in Manitoba, one in PEI, and also one in Quebec for a total of 69 PED cases confirmed in hog barns in Canada. The cooler weather has started to cause more cases to flare up.

Futures Markets

Lean hog futures prices were mixed over the week with nearby contracts up early in the week, but down significantly Friday to end lower, week over week. Week-over-week the October contract decreased US\$0.925 per cwt to settle Friday at US\$105.600 per cwt, while the December contract decreased US\$1.450 per cwt to settle Friday at US\$93.025 per cwt.

The nearby wheat and soybean futures prices were higher while gold and crude oil prices edged lower, week-over-week. Nearby corn future prices were steady to slightly higher.



Source: CME

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Iowa cash corn prices continued lower last week decreasing 8 cents per bushel, week-over-week, to end Friday at US\$2.87 per bushel. The December and March corn futures contracts were steady with slight increases over the week and the December contract settled Friday at US\$3.23¼ per bushel, while the March 2015 corn futures contract settled Friday at \$3.36¼ per bushel.

USDA released the Grain Stocks Report on September 30, 2014. Total old corn crop in storage as of September 1, 2014 was 1.236 billion bushels, up 50.5 per cent from 821.2 million bushels on September 1, 2013. Old crop soybeans in storage as of September 1, 2014 totaled 91.960 million bushels, down 34.6 per cent from 140.557 million bushels on September 1, 2013. All wheat in storage as of September 1, 2014 totaled 1.914 billion bushels, up 2.4 per cent from 1.870 billion bushels on September 1, 2013.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection last week ending October 4 were estimated at 2.090 million head, down slightly from 2.095 million head the previous week, and down 5.8 per cent from 2,219 million head the same week a year ago. U.S.

hogs slaughtered over the last four weeks averaged 2.069 million head, down 5.5 per cent from 2.189 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending Sept. 27, 2014 were estimated at 417,789 head, down 0.4 per cent from 419,607 head the previous week, and down 0.9 per cent from 421,668 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending September 27 were estimated to average 401,716 head, down slightly from 402,390 head over the same period a year ago.

Meat Production

U.S. pork production for the week ending October 4 was estimated at 443.4 million lb., down slightly from 443.7 million lb. the previous week, and down 3.2 per cent from 458.2 million lb. the same week a year ago. Pork production over the last four weeks ending October 4 was estimated to average 438.7 million lb., down 2.2 per cent from 448.7 million lb. over the same four week period a year ago.

U.S. beef production for the week ending October 4 totaled 476.4 million lb., up 1.9 per cent from 467.3 million lb. a week ago, but down 7.0 per cent from 512.3 million lb. over the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending September 27, 2014, was estimated at 1.938 billion lb., up 0.6 per cent from 1.927 billion lb. over the same four weeks a year ago, and down 1.7 per cent year-to-date.

United States Weekly Meat Production

(Sept. 27) Four Week Average - Million Lb.			Percent Change	
	2013	2014	4wk. 2014	YTD 2014
Pork	435.3	422.2	-3.0%	-1.0%
Beef	487.4	461.7	-5.3%	-5.4%
Chicken	885.1	920.9	4.0%	0.2%
Turkey	118.9	132.9	11.8%	-2.5%
Total	1,926.7	1,937.6	0.57%	-1.65%

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending October 4, 2014 averaged US\$122.13 per cwt, up US\$4.65 per cwt or 4.0 per cent from US\$117.48 per cwt from the previous week.

Average beef cutout values (Choice 600-900 lb.) for the week ending October 4 averaged US\$238.19 per cwt, down US\$1.43 per cwt from the average price of US\$239.62 per cwt from the previous week.

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